

BELLSOUTH

Cynthia K. Cox
Executive Director-
Federal and State Relations

EX PARTE OR LATE FILED

Suite 900
1133-21st Street, N.W.
Washington, D.C. 20036-3351
202 463-4104
Fax: 202 463-4196

EX PARTE

October 16, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street N.W., Room 222
Washington, D.C. 20554

RECEIVED
OCT 16 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket No. 96-98, Local Competition Provisions of the Telecommunications Act of 1996

Dear Mr. Caton:

DOCKET FILE COPY ORIGINAL

Attached is BellSouth's supplemental response to the Commission's Request for Information regarding Code Opening Fees, dated July 31, 1997.

In accordance with Commission rules, the original of this response and one copy are being filed with your office. Acknowledgment and date of receipt are requested.

Please call the undersigned with any questions.

Cynthia Cox

cc: Renee Alexander, Esq.
Greg Cooke, Esq.
Erin Duffy, Esq.
Anna Gomez, Esq.

No. of Copies rec'd
List ABOVE

021

FEDERAL COMMUNICATIONS COMMISSION

CC Docket No. 96-98 Implementation of the Local Competition Provisions of the Telecommunications Act of 1996

Supplemental Response To Request For Information - RE: "Code Opening" Fees

BellSouth Corporation, on behalf of its affiliated companies, and by counsel ("BellSouth"), submits this supplemental response to the Commission's Request for Information - RE: "Code Opening" Fees, dated July 31, 1997 (Request).

PROCEDURAL BACKGROUND

BellSouth submitted its Response to the Commission's Request on August 19, 1997. On August 28, 1997, BellSouth participated in an ex parte with Commission staff to discuss the information contained in BellSouth's August 19th response.¹ During the August 28 ex parte, Commission staff requested additional information concerning (1) what is considered a "record" in the BellCore Routing DataBase System (RDBS) and the BellCore Rating Input Database System (BRIDS), and whether the costs of maintaining these records should be part of the costs of number administration under § 251(c)(2) of the 1996 Act, 47 U.S.C. § 251(e)(2); and (2) what BellSouth's practices and policies are with regard to making telephone numbers available to "Type 1" interconnectors. This supplemental response is intended to address this request for additional information.

¹ Ex parte Letter from Cynthia Cox, Executive Director, Federal and State Relations, BellSouth, to Mr. William F. Caton, Acting Secretary, Federal Communications Commission (August 29, 1997).

1. What is considered a record in RDBS and BRIDS?

On January 1, 1997, Bellcore began billing the Administrative Operating Company Number (AOCN)² companies on a "per record" basis for certain records resident in the BRIDS and RDBS databases. Regional Bell operating companies (RBOCs) that are also AOCN companies do not pay the per record charge directly; rather, they pay these charges as part of the National Telecommunications Alliance (NTA) funding process.³ Records are counted as follows:

A. BRIDS

1) Central Office Code Records

Each BRIDS Central Office Record Contains information relevant to:

- NPA-NXX Code
- OCN
- Type of Code
- Type of Company
- LATA
- Revenue Accounting Office (RAO)
- Business Office
- Time zone
- International Direct Distance Dialing (IDDD)
- Dialable Status
- Daylight Savings Time Observed
- Rate Center Major and Minor Vertical and Horizontal (V&H) Coordinates
- Place Name to appear on Subscriber bills
- Rate Center
- Locality

² AOCN is a code used to identify a company which has administrative responsibilities for entering data into the BRIDS and RDBS systems. An AOCN company is generally responsible for entering data belonging to other companies.

³ As discussed during the August 28, 1997 ex parte, the amounts paid to NTA by BellSouth as an RBOC AOCN company currently exceed what BellSouth would have to pay were it billed on a per record basis as are non-RBOC AOCN companies.

2) **Special Calling Card Code Records**

Each BRIDS Special Calling Card Code Record contains information relevant to:

- RAO
- Calling Card Code
- OCN
- NPAs Served by Calling Card Code

3) **Business Office Code Records**

Each BRIDS Business Office Code Record contains information relevant to:

- NPA
- Business Office Code
- OCN
- Business Office Addresses and Telephone Numbers for Business Accounts, Business Orders, Residence Accounts, Residence Orders, Miscellaneous Accounts, and Miscellaneous Orders (optional fields)

B. RDBS

1) **Central Office Code and Operator Services Code Record**

Each RDBS Central Office Code and Operator Services Code Record contains information relevant to:

- NPA-NXX Code
- Type of Code
- Special or Shared Use of Code
- Dialable Status
- Number of Digits to Terminate to Servicing Access Tandem
- Number of Digits to Terminate to Serving End Office
- Local Number Portability Status
- OCN
- Locality
- State
- Rate Center
- Operator Service Codes (optional field)
- Serving Switch or Switches
- Line Range by Switch or Switches
- LATA

2) Switching Entity Records

Each RDBS Switching Entity Record contains information relevant to:

- Switch Identification
- Equipment Type
- OCN
- LATA
- V&H Coordinates
- IDDD
- Address
- SS7 Point Code
- Functions
- Network Services
- Homing Arrangements

During the August 28 ex parte meeting, the Commission asked whether such per record charges should be built into the cost recovery mechanism for national number administration. BellSouth believes that this function is of the type characterized in the North American Numbering Council, North American Numbering Plan Requirements Document as an "Optional Enterprise Service."⁴ If the North American Numbering Plan Administrator performs these functions on behalf of carriers, it should be entitled to recover these costs in accordance with that section of the Requirements Document. If BellSouth, or any other carrier, performs these functions on behalf of others, it should be entitled to recover its costs through freely negotiated rates.

⁴ See Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, BellSouth Corporation, Response to Request for Information (August 19, 1997) at 6-7.

2. What are BellSouth's Practices and Policies with Regard to Making Telephone Numbers Available to Type 1 Interconnectors?

The Commission's July 31, 1997 Request for Information sought information with respect to the assignment, activation and opening of central office (CO) codes.⁵ A CO code is a three digit identifier in the form NXX where N may be any number from 2 to 9 and X may be any number from 0 to 9.⁶ Each CO code represents 10,000 telephone numbers.⁷ CO codes are currently administered by the predominant local exchange carrier. In this capacity, BellSouth Telecommunications, Inc. ("BST"), among other things, "assigns central office codes to other carriers and itself."⁸ In its capacity as CO code administrator, BST assigns 3 digit CO codes containing 10,000 "number blocks" only, and does not otherwise assign seven digit telephone number blocks in any lesser quantity.

During the August 28, 1997 ex parte, Commission staff inquired as to BST's policies and practices with respect to charges assessed against paging carriers and other commercial mobile radio service (CMRS) providers for blocks of telephone numbers in Type 1 interconnection arrangements. The Commission drew BellSouth's attention to a recent ex parte filed by Arch Communications, Inc.⁹ BellSouth has reviewed the Arch ex parte, as well as another ex parte in

⁵ Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, *Request For Information - RE: "Code Opening" Fees* (July 31, 1997).

⁶ Administration of the North American Numbering Plan, *Report and Order*, 11 FCC Rcd 2588, 2593 (1995).

⁷ Proposed 798 Relief Plan and 630 Numbering Plan Area Code by Ameritech - Illinois, *Declaratory Ruling and Order*, 10 FCC Rcd 4596, 4598 (1995) at n.4.

⁸ *Id.* at 4597.

⁹ Letter from Dennis M. Doyle, Assistant Vice President, Arch Communications, to Renee A. Alexander, Esq., Common Carrier Bureau, Federal Communications Commission (August 22, 1997) (hereinafter "Doyle Letter").

this proceeding filed by AirTouch,¹⁰ and finds the information contained therein to be correct in some respects and incorrect in others.

As the Commission has explained:

Type 1 service involves interconnection to a telephone company end office similar to that provided to a private branch exchange (PBX). Under Type 1 interconnection, the telephone company owns the switch serving the cellular network and, therefore, performs the origination and termination of both incoming and outgoing calls.¹¹

Thus, paging or other CMRS carriers in BellSouth's local exchange and exchange access service area seeking Type 1 interconnection do not obtain traditional 3 digit CO codes (containing 10,000 telephone numbers) from BST in its capacity as CO code administrator for end office interconnection with BST or any other incumbent LEC. Rather, Type 1 interconnectors request that BST make available the use of a quantity of telephone numbers that are "behind" a CO code that has already been assigned to BST and opened and activated in each of BST's switches. These telephone numbers continue to occupy memory space in BST's central office computers so that Type 1 traffic routed over these numbers continue to be directed to the BST switches corresponding with the Common Language Location Identifier (CLLI) code that in turn corresponds with the original CO code assigned to BST.

BellSouth has historically tariffed, in eight of the nine states in which it is authorized to provide local exchange and exchange access service, both a non-recurring charge and a monthly

¹⁰ Letter from Kathleen Q. Abernathy, Vice President-Federal Regulatory, AirTouch Communications, to Renee A. Alexander, Esq., Common Carrier Bureau, Federal Communications Commission (August 26, 1997) (hereinafter "Abernathy Letter").

¹¹ Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services (Cellular Interconnection Proceeding), *Memorandum Opinion and Order on Consideration*, 4 FCC Rcd 2369, 2377 (1989) at n.16.

recurring charge to cover the costs associated with telephone numbers that have been assigned to Type 1 interconnectors but remain resident in BellSouth's central office switches.¹² These cost-based charges have not been assessed solely for the use of numbers,¹³ but rather to recover the legitimate expenses associated with the fact that these numbers remain resident in BellSouth's network.

In the *Second Local Competition Order*,¹⁴ the Commission explicitly forbade incumbent LECs from assessing unjust, discriminatory, or unreasonable charges for activating CO codes for any group of carriers, and, to the extent that per-number charges represent charges for interconnection, they are governed by the principles set out in the Commission's *First Report and Order*. At the time the *Second Report and Order* was released, BST, in its capacity as CO code administrator, did not charge any fees for code assignment, code activation, or code opening, nor does BST, as central office code administrator, charge any fees today.¹⁵

BST, in its capacity as a LEC with preassigned CO codes resident in its network, has assessed cost-based recurring and non-recurring charges in connection with Type 1 interconnectors, pursuant to state tariffs on a non-discriminatory basis.¹⁶ BST has begun to

¹² In North Carolina these charges are set forth in the North Carolina Traffic and Interconnection Agreement; in all other states these charges appear in the A.35 state tariffs.

¹³ Need to Promote Competition and Efficient Use of Spectrum for Common Carrier Services, *Memorandum Opinion and Order*, 59 R.R.2d 1275, 1284 (1986).

¹⁴ Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, *Second Report and Order* and *Memorandum Opinion and Order*, 11 FCC Rcd 19392, 19538, (1996), *vacated in part*, *The People of the State of California v. FCC*, __ F.3d __ (released August 22, 1997) ("*Second Local Competition Order*").

¹⁵ As explained in BellSouth's earlier Response, CO code activation is not the responsibility of the CO code administrator.

¹⁶ Prior to the effective date of the *Second Local Competition Order*, BST, in its capacity as incumbent LEC and pursuant to tariff, assessed cost-based charges for Type 2A wireless

reevaluate its cost-based per number charges in light of the Commission's determination that such charges are "governed by the principles set out in the Commission's *First Report and Order*." As Arch states, based on these revised cost studies, BellSouth intends to reduce its monthly rewiring charge to \$0.03 per hundred numbers. BellSouth intends to make this new charge retroactive to the effective date of the *Second Local Competition Order*, and to provide refunds to any Type 1 interconnector for any difference between the new rate and any rate actually paid by such interconnector since October 6, 1996. Moreover, BellSouth has decided to eliminate all non-recurring charges in connection with Type 1 numbers.

BellSouth strongly disagrees with Arch's statement that it has been grossly overcharged by BellSouth for years.¹⁷ The new cost studies for Type 1 interconnection are, of course, based on new pricing principles developed by the Commission pursuant to an exercise of federal jurisdiction that has been discredited by the United States Court of Appeals for the Eighth Circuit.¹⁸ BellSouth's former tariffed recurring and nonrecurring charges were wholly consistent with the Commission's orders and with state law. In any event, and notwithstanding the Eighth

interconnection to cover the costs of programming the wireless carrier's NXX code into BST central offices within the LATA to which the NXX had been assigned. Thus, although BST actually incurred costs to program these NXX codes in each central office in every LATA in all nine states in which BST was authorized to provide local exchange and exchange access service, BST only charged wireless carriers for costs relating to programming the central offices within a single LATA. In any event, as of the effective date of the *Second Local Competition Order*, BST stopped assessing such charges.

¹⁷ Doyle Letter, *supra* note 9.

¹⁸ Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, and Interconnection between Local Exchange Carriers and Commercial Mobile Radio Service Providers, CC Docket No. 95-185, *First Report and Order*, FCC 96-325, released August 8, 1996, *vacated in part, Iowa Utilities Board v. FCC*, ___ F.3d. ___ (Slip Op. released July 18, 1997).

Circuit's action, BellSouth intends to file amendments to reflect the new \$0.03 per hundred number rate and to delete all nonrecurring charges in its state tariffs.

The matrix attached to back of the AirTouch filing¹⁹ is incorrect for several reasons. First, the column entitled "Whole NXX Codes/Code Opening Charges and Whole NXX Codes/Translation Table Maintenance & Customer Requests" is incorrect. It does not reflect the fact that BellSouth stopped assessing charges to wireless carriers for activating these carrier's Type 2A NXXs within BellSouth's network on or before October 6, 1996, the effective date of the *Second Local Competition Order*. BellSouth does not charge any carrier code opening fees.

Second, the columns entitled "Partial NXX Codes/Code Opening & Limited Code Activation (Non Recurring Charges)" are incorrect because they appear to describe the Type 1 non-recurring charge as a code opening or code activation charge. As explained above, however, Type 1 numbers have already been "opened" or "activated" in BST switches. They are then made available for use by Type 1 interconnecting carriers, although they remain resident in BST's central office switches. Non-recurring charges associated with the use of telephone numbers in Type 1 interconnection were therefore neither "Whole NXX" nor "Partial NXX" "opening" or "activation" charges. Rather, non-recurring charges associated with Type 1 interconnection were assessed under tariff for the work done by BST to perform the translations necessary to allow the numbers assigned to the Type 1 interconnector, together with any features and functions associated with those numbers, to be recognized as having been assigned to the interconnecting carrier. The charge was never a code opening fee, and is, in any event, being eliminated.

¹⁹ Abernathy Letter, *supra* note 10.

Finally, the columns that are labeled "Whole NXX Codes/Translation Table Maintenance and Customer Requests (Recurring Charges)" and "Partial NXX Codes/Translation Table Maintenance and Customer Requests (Recurring Charges)" are incorrectly labeled. The charge is a recurring charge that constitutes, essentially, monthly rent for the memory space occupied by Type 1 carriers' numbers in BST switches.

In sum, BellSouth does not charge any carrier for whole or partial central office code opening or activation, whether in BellSouth's capacity as central office code administrator or as a wireline LEC. BST eliminated all code opening fees for Type 2A interconnectors as of October 6, 1996. BellSouth has assessed tariffed charges, on a non-discriminatory basis, to Type 1 interconnectors. Charges were for work (labor) done in the BellSouth central office to make the numbers work for other carriers while remaining resident in the BellSouth switch. Nonrecurring charges for Type 1 numbers are being eliminated, while the recurring charge for Type 1 numbers are being reduced to \$0.03 per one hundred numbers.

CONCLUSION

BellSouth appreciates the opportunity to respond to the Commission's various requests for information. BellSouth urges the Commission to take swift action to resolve the pending petitions for reconsideration and clarification of the *Second Local Competition Order*. In particular, soaring and unprecedented demand for CO codes has caused BellSouth, in its capacity as CO code administrator, to revise Numbering Plan Area (NPA) code exhaust deadlines and to initiate NPA relief efforts. These efforts will be greatly aided by the Commission's eliminating, or, in the alternative, clarifying, the NXX reservation requirement for NPA overlays as suggested by BellSouth.